



FARMINGTON CITY

SCOTT C. HARBERTSON
MAYOR

JOHN BILTON
CORY R. RITZ
CINDY ROYBAL
JIM TALBOT
JAMES YOUNG
CITY COUNCIL

DAVE MILLHEIM
CITY MANAGER

City Council Staff Report

To: Mayor and City Council

From: Keith Johnson, Assistant City Manager

Date: June 12, 2013

Subject: **AMEND FY 2013 BUDGET AND ADOPT FY 2014 BUDGET.**

RECOMMENDATIONS

Adopt the enclosed resolution which amends the budget for fiscal year 2013, adopts the 2014 budget with the compensation schedule and the property tax rate for fiscal year ending June 30, 2014.

BACKGROUND

Enclosed you will find the amended budget for FY 2013 and the final proposed budget for FY 2014, which includes the setting of the property tax levy. We have received the certified tax rate from the County and State which is .002311. This is the rate set by the State which the City will accept as the new certified tax rate. This is not a tax increase.

We have met for several hours in budget work sessions to review and discuss these budgets and have gone over each fund that the City has. Some of the highlights for the FY 2013 budget include a transfer of \$500,000 from the General Fund to the capital park fund for the new gym and or park to be built. The General Fund balance will end around \$1,282,000 for FY 2013. This is an increase of around \$240,000. Building permits will hit a record high in total amount received for this year.

For FY 2014, the General Fund balance is projected to end around \$792,000. This is a decrease of close to \$500,000 in fund balance as less is projected in building permits. The City will still have a healthy balance for future years. The City is adding 5 new positions in this budget, which will help in maintaining and enhancing services in the City. Even with these new positions the overall General Fund expenditures are only going up by 5.7%. The City continues to be in good financial condition to meet the ongoing needs and services of the City.

Respectfully Submitted,

Keith Johnson,
Assistant City Manager

Review and Concur,

Dave Millheim,
City Manager

Farmington City Budget Message for Ending Fiscal Year 2013 and For Fiscal Year 2014.

The following are some of the key highlights to end FY 2013:

- The General Fund balance will grow by around \$240,000 to end around \$1,282,597.
- Sales Tax continues to grow at a higher rate than the State average as Station Park continues to build out. It is budgeted to be around a 7% increase for this year.
- A \$500,000 transfer from the General Fund to the Park Fund for either the gym to be built with the elementary school and or to develop large park area.
- The City received \$698,590 for the first tax increment payment from the Station Park RDA. Of that \$300,000 comes back to the General Fund to pay for admin costs which the City had accrued over the past few years. Also the City receives \$200,000 for costs associated for improvements around Station Park. This will reimburse the City for the paving of Clark Ln and striping. Lagoon also will receive around \$58,000 for reimbursement on betterments to the train station.
- Building permits will most likely reach an all time high for revenues. \$835,000. Residential permits have stayed strong and Station park has continued to issue permits.
- The Street Department is seeing a significant increase in the budget due to the harsh winter that we had in providing snow removal for the City.

The following are some of the key highlights for the FY 2014 budget:

- No tax increase.
- The General Fund Balance will decrease to around \$792,000. Which is still 11.8% of revenues and still leaves a healthy fund balance for future years.
- Management is recommending adding 5 new positions. 2 new police officers, 1 full time captain in the Fire Dept., 1 full time mechanic and a full time engineer. These positions will be filled through out the year.
- Even with these new positions, the overall operational expenditures in the General Fund are only going up by roughly 5.7%. Department Heads have kept their budgets about the same as previous years with only personnel costs going up.

- No major pieces of equipment being purchased out of the General Fund, just the normal purchases that come each year.
- The major projects are in the Water Fund, with new water lines being put in and the building of a new water tank.
- The Storm Drain Fund will have some major projects that will include operational and impact fee monies.
- Benefit costs are only rising a little with the state retirement and medical insurance going up by small amounts compared to previous years.

With that, the City is seeing positive growth in sales tax and in containing the growth of expenditures. As such the City continues to be in good financial condition to continue to meet the ongoing needs and services of the City.

FARMINGTON CITY CORPORATION BUDGET

GENERAL FUND BALANCE

BUDGET

	Amended Budget	Proposed Amended Budget	Original Budgeted Unrestricted	Restricted Class C	Restricted Liquor Law
Audited Balance 6-30-12	1,047,256	1,047,256	1,047,256	60,879	23,661
Projected Revenue 6-30-2013	7,631,284	7,572,524	6,577,288	574,900	19,054
Projected Expenditures 6-30-2013	7,395,943	7,334,291	6,560,742	575,500	35,000
Projected Balance 6-30-2013	1,282,597	1,285,489	1,063,802	60,279	7,715
	Approved Budget	Recommended Budget	Requested Budget		
Budget Revenue 6-30-2014	6,695,984	6,700,984	6,681,984	575,000	20,000
Budget Expenditures 6-30-2014	7,185,621	7,185,621	7,464,596	643,000	31,000
Budget Balance 6-30-2014	792,960	800,852	502,877	-7,721	-3,285

State Required Fund Balance

6,700,984	6,700,984	792,960	11.83%
x 25%	x .05		
1,675,246	335,049		

State Required Fund Balance 6-30-2014

6,700,984	6,700,984
x .25	x .05
1,675,246	335,049

FARMINGTON CITY CORPORATION BUDGET

Fiscal Year Ending 6-30-2014

	Proposed Budget
<u>General Fund Revenues:</u>	
Property Tax	1,610,000
Registered Vehicle Fees	175,000
Sales Tax	2,650,000
Franchise Tax/Fee	1,280,000
Transient Room Tax	5,000
License /permits	513,500
Federal /State Grants	596,000
Public Safety	75,000
Development Fees	57,000
Cemetery Fees	24,700
Shared Court Revenue	200,000
Interest	7,100
Miscellaneous	97,684

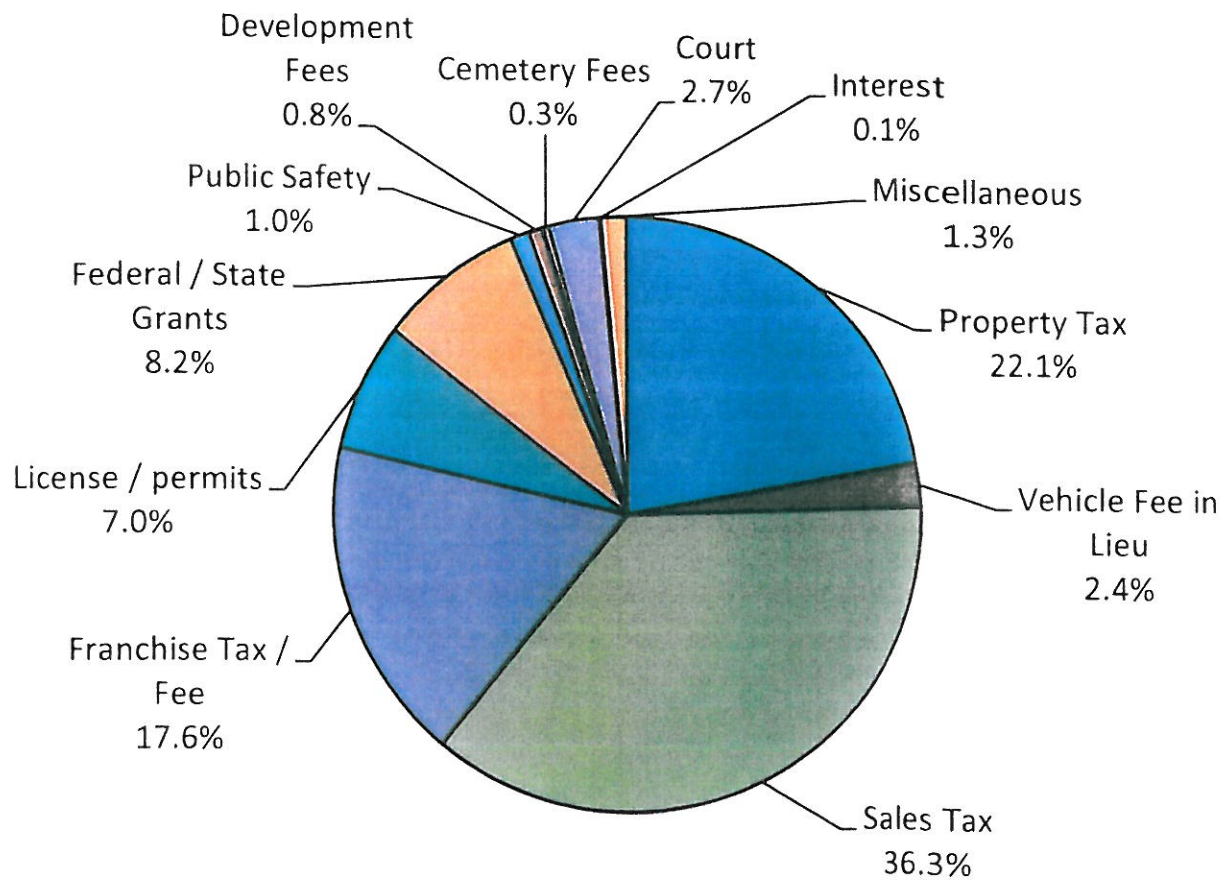
Sub-total	7,290,984
Transfer from other funds	0
Appropriated Fund Balance	568,637

Total Revenue	<u>7,859,621</u>
<u>General Fund Expenditures:</u>	
Legislative	100,450
Administrative	607,975
Engineering	67,000
Planning / Zoning	548,119
Police	2,026,845
Fire	795,428
Emergency Preparedness	2,500
Inspection	414,113
Streets	846,998
General Government Buildings	450,163
Parks / Cemetery	724,857
General Recreation	362,387
Loan to RDA	0
Miscellaneous	33,000
Transfer to Capital Funds	879,786

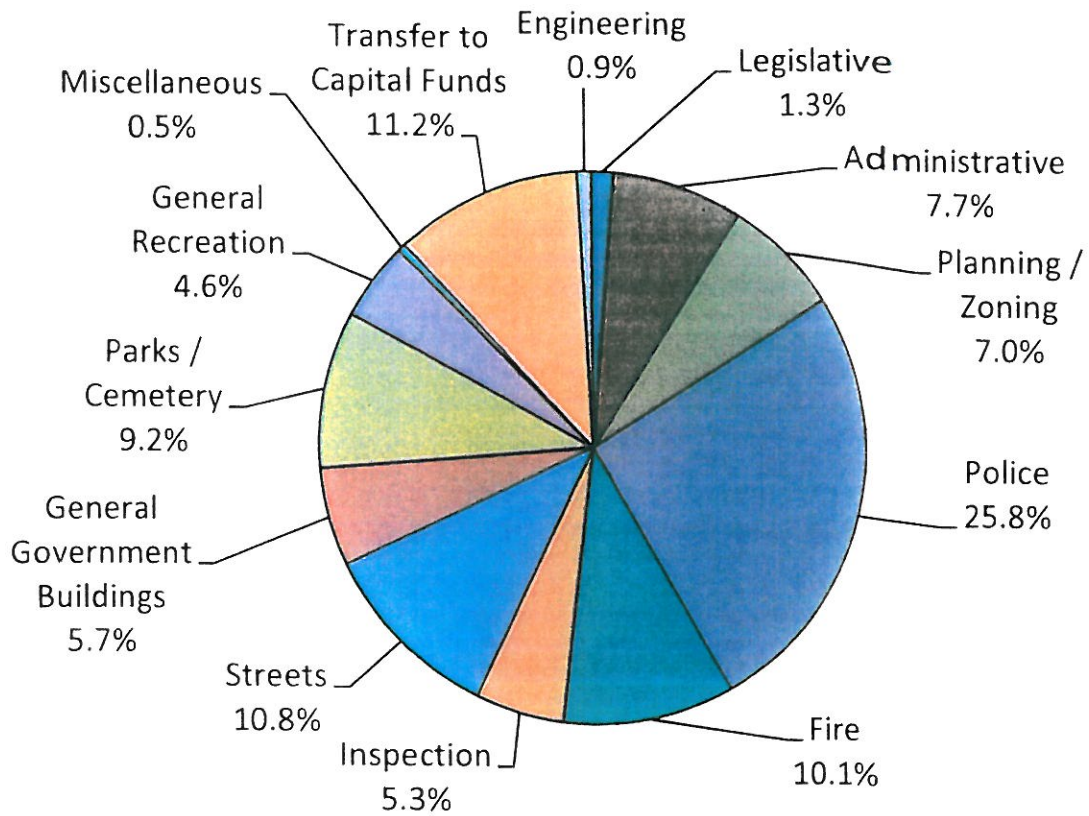
Sub-total	7,859,621
Fund Balance increase	0

Total Expenditures	<u>7,859,621</u>

General Fund Budgeted Revenues FY 2014



General Fund Budgeted Expenditures FY 2014



002311

General Fund Expenditures:

	FY 10	FY 11		FY 12		FY 13		FY 14	
Legislative	85,797	90,538	5.53%	94,688	4.58%	100,550	6.19%	100,450	-0.10%
Administrative	502,146	524,960	4.55%	533,889	1.70%	568,289	6.44%	607,975	6.98%
Engineering								67,000	
Planning / Zoning	469,244	454,279	-3.19%	509,308	12.11%	586,577	15.17%	548,119	-6.56%
Police	1,730,340	1,665,975	-3.72%	1,777,570	6.70%	1,890,072	6.33%	2,026,845	7.24%
Fire	433,394	456,415	5.31%	576,201	26.25%	615,800	6.87%	795,428	29.17%
Inspection	260,593	324,357	24.47%	364,341	12.33%	427,130	17.23%	414,113	-3.05%
Streets	679,927	689,691	1.44%	735,789	6.68%	886,681	20.51%	846,998	-4.48%
General Government Buildings	320,986	341,088	6.26%	388,994	14.05%	399,378	2.67%	450,163	12.72%
Parks / Cemetery	609,106	669,604	9.93%	689,707	3.00%	743,130	7.75%	724,857	-2.46%
General Recreation	317,225	307,246	-3.15%	323,296	5.22%	349,500	8.11%	362,387	3.69%
Miscellaneous	16,522	54,319	228.77%	46,810	-13.82%	35,300	-24.59%	35,500	0.57%
Sub Total	5,425,280	5,578,492	2.82%	6,040,593	8.28%	6,602,407	9.30%	6,979,835	5.72%
Transfer to Capital Funds	392,465	438,641	11.77%	1,688,637	284.97%	1,045,536	-38.08%	399,786	-61.76%
Administrative	18,750	18,650		53,854		28,951		46,500	
Planning / Zoning	5,240	14,131		27,000		3,000		33,786	
Police	54,698	78,000		100,000		98,000		97,000	
Fire	50,000	50,000		50,000		100,000		68,000	
Streets	92,956	208,341		890,500		159,090		25,000	
General Buildings	121,076								
Parks / Cemetery	9,745	69,519		524,000		636,495		90,500	
Swimming Pool	40,000							39,000	
Real Estate				43,284					
G O. Bldg Bond						20,000			
Class C Road Transfer	358,005	399,828	11.68%	436,500	9.17%	358,500	-17.87%	480,000	33.89%
Sub-total	6,175,750	6,416,961		8,165,730		8,006,443		7,859,621	

FARMINGTON CITY CORPORATION BUDGET

Fiscal Year Ending 6-30-2014

<u>Capital Projects Revenues:</u>		<u>Proposed Budget</u>
#37	Government Bldgs. Improvements	106,714
#38	Street Improvements & Constructions	866,040
#39	Capital Equipment	315,986
#42	Park Improvements	177,000
#43	Fire Protection	75,816
	Appropriated Fund Balance	0
	Total	<u>1,541,556</u>

<u>Capital Projects Expenditures:</u>		
#37	Government Bldgs. Improvements	101,071
#38	Street Improvements & Constructions	863,749
#39	Capital Equipment	298,350
#42	Park Improvement	50,000
#43	Fire Protection	0
	Appropriated Fund Balance Increase	228,386
	Total	<u>1,541,556</u>

<u>Debt. Service Revenues:</u>		
#31	Sales Tax Bond for Police Bldg	50,500
#32	Sale Tax Bond	96,876
#33	L S GO Bond	214,900
#34	Bldg GO Bonds	409,200
#83	S.I.D. 2003-1	18,800
	Appropriated Fund Balance	68,634
	Total	<u>858,910</u>

<u>Debt. Service Expenditures:</u>		
#31	Sales Tax Bond for Police Bldg	76,200
#32	Sale Tax Bond	110,175
#33	L S GO Bond	224,900
#34	Bldg GO Bonds	407,635
#83	S.I.D. 2003-1	40,000
	Fund balance increase	0
	Total	<u>858,910</u>

FARMINGTON CITY CORPORATION BUDGET

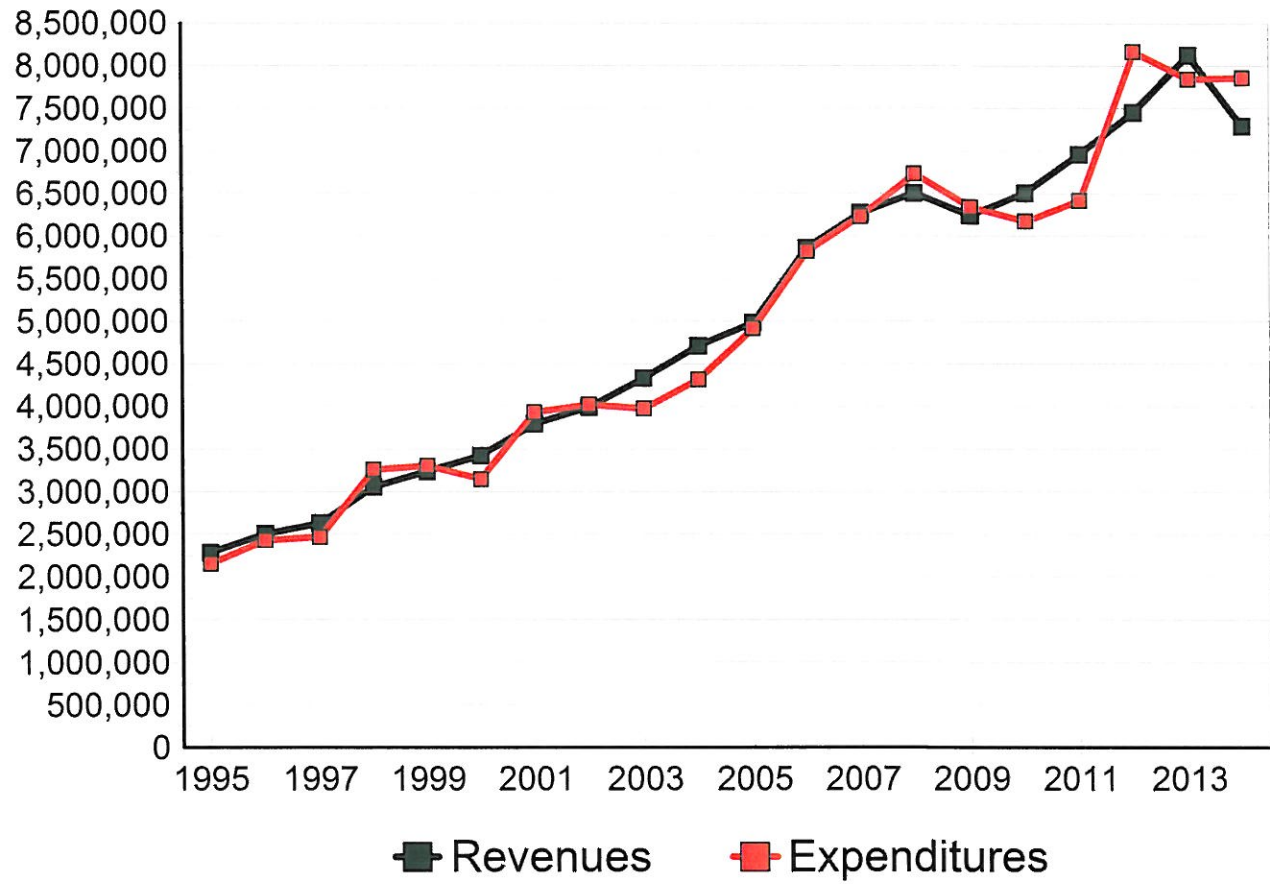
Fiscal Year Ending 6-30-2014

<u>Enterprise Funds Revenues</u>	<u>Proposed Budget</u>
Water	1,838,000
Water Development	243,744
Sewer	1,384,500
Garbage	1,172,500
Storm water	785,946
Recreation	782,557
Ambulance Service	259,000
Special Events programs	81,850
Appropriated Fund Balance	2,835,032
Total	<u>9,383,129</u>

<u>Enterprise Funds Expenditures:</u>	
Water	3,134,108
Water Development	737,000
Sewer	1,366,177
Garbage	1,263,070
Storm Water	1,664,362
Recreation	780,662
Ambulance Service	357,200
Special Events programs	80,550
Fund Balance increase	0
Total	<u>9,383,129</u>

<u>Fiduciary Funds:</u>	
Cemetery Perpetual Care Revenue	10,200
Cemetery Perpetual Care Expenditures	1,200
Cemetery Perpetual Care Capital Expenditures	0
Increase Fund Balance	<u>9,000</u>

General Fund Revenues and Expenditures



Revenues

